

CONTENTS

INTRODUCTION

**STRATEGY AND BUSINESS MODEL**

BUSINESS MODEL

STRATEGY

TARGETS AND TARGET FULFILMENT

STORSKOGEN AS AN INVESTMENT

STORSKOGEN'S FINANCIAL STRATEGY

ORGANISATION AND EXPERTISE

BUSINESS AREAS

SUSTAINABILITY REPORT

CORPORATE GOVERNANCE

DIRECTORS' REPORT

FINANCIAL STATEMENTS

SUSTAINABILITY NOTES

THE STORSKOGEN SHARE

# Strategy and business model



## Mission

We empower businesses  
to realise their full potential



## Vision

To be the leading  
international owner of small and  
medium-sized businesses



DOWNLOAD PRINT-OPTIMISED PDF

# Business model

Storskogen owns and develops small and medium-sized businesses to create resilience and profitable growth.

## 1. Opportunity

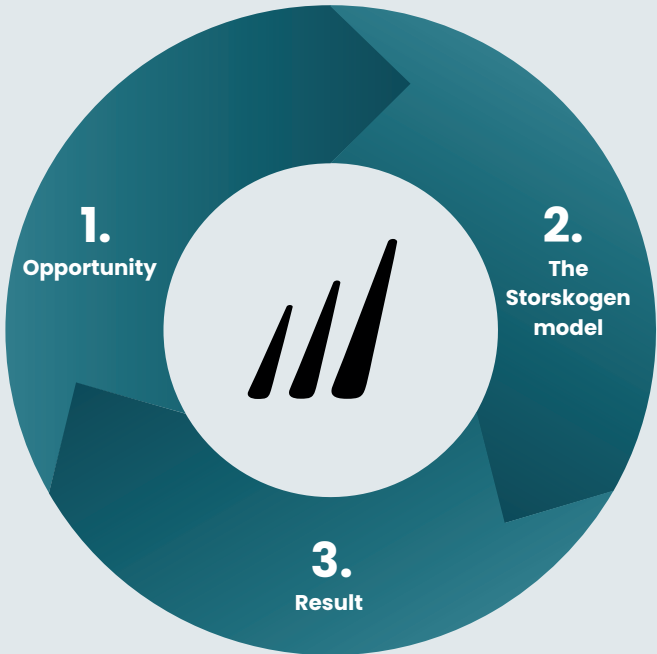
- **Evergreen opportunity** to acquire profitable companies with proven business models in select industries.
- **Attractive return potential** driven by lower valuation of small and medium-sized businesses.
- **Value-creation opportunities** through professionalisation, business development and synergies.

## 2. The Storskogen model

- **Long-term perspective and stability** ensure companies' future competitiveness.
- **Decentralisation** promotes entrepreneurship.
- **Active ownership** enables businesses to realise their full potential.
- **Diversification** is central to spread risks and take advantage of opportunities.

## 3. Result

- **Profitable growth** is generated by reinvesting cash flows into both new acquisitions and organic growth initiatives.
- Geographic and industry diversification creates **resilience** over business cycles.



## Value creation

- **Shareholders**  
Exposure to diversified group of small and medium-sized businesses creating profitable growth and resilience.
- **Business sellers/business units**  
Long-term, decentralised ownership model that empowers businesses to realise their full potential.
- **Employees**  
Opportunities for development and knowledge sharing within the business group.
- **Society**  
Commitment to entrepreneurship benefits local society.



# The opportunity to own small and medium-sized businesses

Storskogen was founded on the principle of being a next-generation owner of stable small and medium-sized businesses. Returns generated from the business group are reinvested for continued profitable growth.

## Evergreen opportunity

Entrepreneurial businesses are the backbone of local communities and the global economy by creating growth and employment opportunities. Many successful small and medium-sized companies with proven business models eventually require a long-term owner to secure their competitiveness and to realise their full potential. Storskogen aims to bridge this gap.

The market for acquiring and developing such businesses represents an evergreen opportunity. In Europe alone, there are an estimated 230,000 businesses with between 50 and 250 employees and less than EUR 50 million in sales, with many more globally.

## Attractive return potential

Small and medium-sized businesses are typically valued lower than large companies due to risks such as increased sensitivity to market changes and a higher dependency on a few key individuals, suppliers or customers. Even well-managed companies with proven business models can struggle to attract buyers, especially if they are located far away from potential buyers. These factors create favourable conditions for Storskogen, making them an attractive and scalable investment opportunity.

## Value-creation opportunities

Small and medium-sized businesses often have untapped potential that can be unlocked by joining a larger group like Storskogen. Areas that are commonly challenging for smaller companies include digitalisation, internationalisation, talent recruitment and sustainability requirements. By providing access to capital, expertise and knowledge sharing, Storskogen supports its business units in improving operational efficiency, driving growth and realising their full potential.



# The Storskogen model

Storskogen's model is built on decentralised, long-term and active ownership, enabling business units to retain their entrepreneurial spirit while benefiting from the support and scale of a larger, diversified business group.

## Long-term perspective and stability

When small and medium-sized companies reach a stage where new ownership is essential to ensure future competitiveness, sellers typically look for buyers who share their vision for the company's future. Key concerns for sellers include the continued development of the business and the well-being of its employees. This aligns with Storskogen's business model, which aims to create long-term growth and stability for its companies.

## Decentralisation, entrepreneurship, scalability

Decentralisation is fundamental to achieving scalability, and Storskogen encourages independence and an entrepreneurial mindset. This ensures that the businesses, which are closest to their customers, suppliers and markets, can manage day-to-day operations efficiently and seize growth opportunities.

## Active ownership

Storskogen's central organisation provides strategic and operational support in areas such as investment decisions, succession planning, sustainability initiatives and corporate governance. Support is provided through board work and supplemented with monthly follow-up and other activities tailored to the needs of the business units. A key part of this process is Storskogen's common framework for financial governance, which ensures reliable financial reporting.

Storskogen's network of business units enables both internal and external synergies. Internal synergies include business transactions between companies and the use of shared resources. Examples of external synergies include framework agreements to optimise procurement processes and purchasing.

Storskogen Knowledge Exchange, KX, is a shared digital platform for the Group, offering an extensive document repository, webinars and streamlined communication channels. Through KX and other initiatives such as events, discussion forums and networking activities, collaboration and knowledge exchange between companies are promoted.

## Diversification

A central aspect of the Storskogen model is diversification, both to mitigate risks and to seize opportunities for developing the business group through investments in areas with the best expected returns. Diversification is achieved by operating across different geographies and business sectors, providing exposure to various trends, drivers and economic cycles. Storskogen considers diversification in all investment decisions – whether through organic initiatives or acquisitions.





# Stable growth and resilience

Storskogen's strategy for owning and developing its business units is designed to generate profitable growth and resilience. Cash flows are reinvested to create long-term value for stakeholders through balanced capital allocation and clear investment priorities.

### Profitable growth

Within Storskogen's business areas, conditions for increased profitability are created through operational improvements, synergies, collaboration and other network effects. The generated cash flows are reinvested in both new acquisitions and organic growth initiatives, creating a cycle of growth and profitability.

### Resilience

Beyond profitable growth, Storskogen aims to build a resilient business group with stable and consistent financial development through economic cycles. Historically, the business units have demonstrated solid performance even during downturns, a result of the geographical and operational diversification described in the previous section.

### Capital allocation

Storskogen follows a clear capital allocation strategy, investing cash flows in areas expected to deliver the best potential long-term returns.

Investments focus on either organic expansion within the existing business group or growth through acquisitions. Acquired growth is divided into two main types: platform acquisitions, which create standalone business units, and add-on acquisitions, where an existing business unit acquires a company for strategic reasons, such as achieving economies of scale or expanding its offerings, expertise or geographical presence.

Capital allocation for both organic initiatives and acquisitions is based on five investment themes:

- Health and well-being
- Automation
- Energy and sustainability
- Digitalisation
- Infrastructure

These themes already characterise a significant part of the existing business group and have strong growth potential, supported by a number of long-term macro trends.

Investment decisions also consider exposure to different end markets, ensuring that the three business areas are not overly dependent on demand from a specific customer segment or industry.

### Balanced expansion

Storskogen aims to achieve both organic and acquired growth throughout the economic cycles. To enable this, maintaining a balanced leverage ratio is essential to ensure financial flexibility even in changing market conditions.

By combining a clear capital allocation strategy, focused investment themes, and financial stability, Storskogen creates the foundation for profitable growth and builds a resilient business group that can generate long-term value for all stakeholders.

